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Richard Haass, Deputy Assistant Secretary of State
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DIRECTORATE OF INTELLIGENCE

20 December 1984

Greek and Turkish Military Ties with Libya

Summary

Both Greece and Turkey have established military relationships with Libya which extend back at least two decades. The Turkish connection is by far the most significant at this time -- it includes major military construction projects; the sale of military equipment; and the provision of training to a sizable number of Libyan naval and, at one time, air force cadets. The Greek relationship has been much more modest -- limited military construction and training activities -- but the Libyans clearly hope that the Papandreou government will be open to significant expansion of the relationship. The Libyans and Greeks already have discussed arms purchases. [redacted]

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This memorandum was prepared by the Iberia-Aegean Branch, Western Europe Division, Office of European Analysis. It was prepared at the request of Richard Haass, Deputy Assistant Secretary of State for Policy Planning. Questions and comments may be addressed to [redacted] Chief, Iberia-Aegean Branch, EURA [redacted]

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Both Athens and Ankara view Libya as a major potential market for military goods and services that could help expand their nascent defense industries, and each is anxious to deny the other any special influence in Tripoli. The Greeks seek to capitalize on the alleged ideological affinities between the Socialist government in Athens and the radical Libyan regime, while the Turks look to the historical and cultural heritage they share with Libya. Both Greece and Turkey also feel constrained to impose limits on their cooperation with Qadhafi because of doubts about his reliability and because of the possible reactions of their allies. There are other constraints as well. The Turks do not want to strengthen Qadhafi to the point where he could pose a threat to their direct and indirect security interests in the Mediterranean, and both the Greeks and the Turks must balance their interests in Libya against their more important economic stakes in moderate Arab countries hostile to or suspicious of Qadhafi. [REDACTED]

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Greek-Libyan Relations

The Military Relationship

Greece and Libya have maintained a military relationship since at least the mid-1960s, centering on the training of small numbers of Libyan officers in Greek military academies. There has been as yet no major change in the relationship although Papandreou has chosen to give it a much higher public profile. Libya clearly entertains the hope that the relationship can be expanded significantly and -- particularly in the past year -- has stepped up efforts to persuade the Greeks to extend cooperation to include the repair and maintenance of equipment and the supply of arms, ammunition, and spare parts. The Greek Government has expressed interest in the Libyan overtures and apparently has agreed in principle to repair Libyan ships and supply light arms, ammunition, and uniforms -- although the details of these agreements have yet to be worked out. If carried out this would be a new departure -- past Libyan efforts to procure military equipment from Greece have been largely unsuccessful, the only one being a 1977 agreement for the sale of small arms worth \$5 million. At the same time, Athens has officially denied

any intention to extend cooperation to operational training or the supply of spare parts for Western and US equipment. [REDACTED]

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Greek-Libyan military cooperation to date includes the following:

- The Greeks have offered training to Libyan military officers for the past twenty years. The extent of training has fluctuated from year to year and, if anything, has decreased slightly since the mid-1970s. In 1976, 59 Libyan officers and NCOs were in training at Greek military academies (49 at the Naval Academy and ten at the Air Force Academy). As of September 1981, shortly before Papandreou took office, the number of Libyan military trainees had fallen to 26 -- nearly all of them attending the Navy Cadet School. Eight Libyans are currently attending the Greek Naval Academy. Defense Attache reporting indicates that the drop in enrollments is primarily a result of the Greek Government's desire to extend training opportunities to other African and Middle Eastern candidates and of the imposition of quotas on the number of Libyan students. (In the past, Greece offered some basic and advanced flight training to Libyan officers. This program appears to have been gradually phased out, although the state-run Greek television recently reported that the Libyans have resurfaced the possibility of getting technical training for their air force.) [REDACTED]

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-- Greek newspapers have referred to an agreement for the construction and sale of warships to Libya. [redacted] speculates that the press may be referring to La Combattante type patrol boats. (Libya already has a number of these guided-missile patrol boats in its inventory.) He notes, however, that rumored Greek sales of warships to other countries have yet to pan out. We have no information to confirm or refute these rumors, although we know the Libyans have expressed an interest in purchasing fast patrol boats. [redacted]

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-- High level Libyan military delegations have traveled to Greece on several occasions over the past year to discuss the purchase of light arms and ammunition as well as training. Press reporting reveals that the Libyans have met with representatives of the Hellenic Arms Industry (a government-controlled company that produces small arms); the Hellenic Aerospace Industry (a government-owned facility that services primarily Greek and US aircraft); Steyr-Hellas (a joint Greek-Austrian venture that produces trucks and armored personnel carriers); and Pyrkal (a state-owned company that produces ammunition and explosives). Press reports suggest that there has been agreement in principle to supply Libya with small arms and ammunition but that the specifics (type, quantity, cost) have yet to be worked out. The Libyans also have expressed an interest in the Artemis-30 anti-aircraft gun produced by the Hellenic Arms Industry and the Leonidas armored personnel carrier made by Steyr-Hellas. We do not know, however, if these will be included in the package of proposed purchases. (In fact, this week the Greek Deputy Defense Minister is in Libya to discuss potential military sales.) [redacted]

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-- [redacted] has ordered the Greek armed forces to assist their Libyan counterparts in obtaining spare parts for US and Western equipment. Reports began to surface in early 1982, however, that Olympic Airlines and the Hellenic Aerospace Industry (HAI) signed contracts in January-February for the repair and servicing of Libyan Airways' Boeing 707 aircraft. The agreement reportedly included airframe maintenance and some engine repair work. (The US Department of Commerce issued a temporary order in September 1981 denying Libyan Airways -- which uses its aircraft for military/paramilitary purposes -- access to US-origin products and technical data.) An Embassy contact with excellent access was not aware of any HAI contract with Libyan Airways and noted at the time that HAI was fully booked with projects. HAI does have the capability, however, for engine overhauling work, and Olympic Airlines has the capability for partial servicing. We have no recent information to confirm whether any maintenance work was actually carried out or is currently planned. [redacted]

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- Greek construction firms apparently have been involved in at least one military-related project in Libya. Embassy reporting from The Hague in early 1982, for example, indicates that the Dutch firm Royal Volker Shevir and an unidentified Greek firm were engaged in a joint venture to build a military airbase near the town of Martuka in Libya. The contract had reportedly been signed in 1980. We have no further details but note that the Greeks have relatively few construction contracts with Libya. There are only about 2,000 Greek workers in Libya. [redacted]

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Greek Motivations

Greece's relations with Libya are of relatively recent origin and are a part of Greece's policy of expanding its ties with the Arab world in general -- a policy which began in earnest in the mid-1970s under the leadership of then-Prime Minister Karamanlis and which has taken on new impetus under Papandreou. The prime motivation in the relationship has been economic -- Greece's dependence on low-sulfur Libyan oil, its desire to attract sorely needed investment in Greece, and the prospect of lucrative markets for agricultural products and technical services. To a lesser but increasing extent, relations are also a product of political motivations. On the one hand, this includes Greece's desire to cast itself as the middleman between Europe and the Middle East (a "bridge" to use Papandreou's metaphor). On the other hand, it involves a competition between Greece and Turkey for Arab support on Aegean disputes and on the Cyprus issue. Since Papandreou's election, ideology has also played a role in Greek-Libyan relations, as leaders of both countries have proclaimed their common opposition to "superpower" dominance. To date, benefits -- especially in the economic area -- have fallen far short of Greek expectations, but the Greeks continue to hope for more concrete results. [redacted]

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Indications of Greek motivations include the following:

[redacted]

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-- Papandreou has continued and expanded upon his predecessors' tendency to portray Greece as a bridge between Europe and the Middle East. Papandreou's recent mediation effort between French President Mitterrand and Colonel Qadhafi is the most recent outgrowth of this posture and was calculated to earn Greece higher visibility abroad as well as to win political points at home. It is doubtful that Papandreou gained many admirers from among his allies, but according to Athens press reports, his efforts were well received by Greeks across the political spectrum. [REDACTED]

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-- Greece has long competed with Turkey to curry favor with the Arabs. Middle Eastern support for the Greek position on the Cyprus issue within the nonaligned movement has been an important factor in Greek-Arab political relations -- especially since Greece must contend with Turkish and Turkish Cypriot calls for Islamic solidarity. The Turkish Cypriot declaration of independence last year encouraged even greater Greek attempts to woo the Arabs in order to forestall Turkish efforts to gain international recognition for northern Cyprus. [REDACTED]

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-- Despite these efforts the Arabs play little or no role in Greek-Turkish Aegean disputes and have generally followed a policy of studied neutrality. Although Qadhafi has offered his services as a mediator to both the Greeks and Turks, neither has taken the offer seriously. [REDACTED]

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Outlook

Despite Greece's emphasis on developing close ties to the Middle East -- and especially Papandreou's catering to the more radical Arab states -- there are certain real and self-imposed restraints that limit the degree of cooperation. The Middle East is a complex of countries, and Greece must constantly balance off its interests with one Arab state against another. In the case of Libya, [] the Greek Government prefers to maintain a certain distance, and in the past it has expressed its irritation over Libyan attempts to "direct" Greek policies. []

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- The Greeks have been embarrassed by Libyan-sponsored terrorism in Athens, particularly by the shooting of four Libyan dissidents over a one-month period last spring. These incidents occurred shortly before and after an official visit by the Libyan foreign minister. []

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- A visit by Qadhafi to Greece in spring 1982 failed to materialize because of Qadhafi's unacceptable demands. [] Qadhafi wanted extended talks with Papandreou and the right to address the Greek Parliament and Socialist Party members. Perhaps more pertinently, he also insisted that the Greeks agree as a precondition for the visit to import 2 million tons of Libyan oil annually -- double the current level of purchases. []

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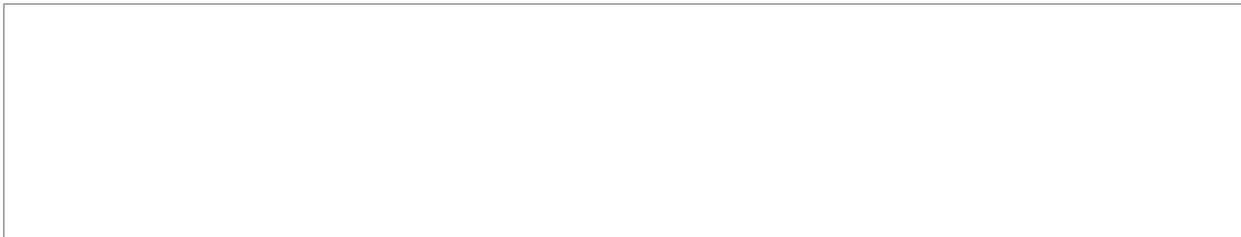
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- Shortly after Papandreou's election, the government rebuffed demands by the head of the Libyan People's Bureau in Athens that Greece kick out the US bases, remove nuclear weapons from Greece, and sever its diplomatic ties with Israel. While the government itself has given voice to some of these same objectives, it has told the Libyans that such remarks by Libyan officials constitute unacceptable interference in Greece's internal affairs. []

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The Turkish-Libyan Military Connection

Past and Present

[redacted] the Turkish Navy has agreed to organize and supervise a two- to three-month Libyan naval fast attack craft exercise is the first evidence we have that the Turks would be willing to provide operational training to Qadhafi's armed forces. [redacted]

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The recent history of Libyan-Turkish military relations appears to date from 1974, when Qadhafi reportedly provided fuel and war materiel to the Turks during their intervention in Cyprus. Since then, the relationship has come to include a wide range of military sales and some training. [redacted]

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- In 1975, during a visit by Qadhafi's right-hand man, Major Jallud, an agreement was signed calling for training of Libyan air force personnel and for the sale of Turkish-made munitions to Libya. [redacted]
- In 1979, during a visit by then-Prime Minister Ecevit to Libya, agreement was reached on a ten-year military cooperation accord. Turkey agreed to produce munitions, fast patrol boats, and other naval craft for Libya, and to provide training to Libyan Air Force and Naval cadets. [redacted]
- In 1980 the Turks agreed to build a munitions plant for the Libyans. Turkey's government-owned producer of light arms and munitions, MKEK, received the \$1 billion contract. Ankara also signed a \$13.5 million contract for the sale of light weapons and ammunition. [redacted]

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- In 1982 the Turkish Government agreed to service three Libyan warships. [redacted] 25X1
the Turkish navy also delivered to Libya ten unarmed, West German designed, Turkish-produced SAAR - 33 fast patrol boats. The Libyan pilot training program, which reportedly included 50 students in 1981 and 28 students in 1982, appears to have concluded in 1982 with the graduation of the last four cadets. (US urging probably played a role in Turkey's apparent decision to refrain from signing another such agreement with the Libyans. The Turks also reportedly were exasperated with the poor quality of the students, most of whom were unable to pass the flight training course, and concerned about the potential involvement of some of the pilots in violent anti-US actions. To our knowledge, there are now no Libyan Air Force cadets at the Turkish Air War School. However, the increasing adoption of Soviet and East bloc weapons systems by the Libyan Air Force may also have made a Turkish training program less practical.) [redacted] 25X1
- In 1983 then-Naval Forces Commander in Chief Admiral Nejat Tumer publicly disclosed that there currently were 120 Libyan students at the Naval War School, that three Libyan warships were undergoing repair at the Golcuk Naval shipyard (probably the three mentioned above), and that Turkey was in the process of constructing about 150 small landing craft for the Libyan naval forces. [redacted] 25X1
- [redacted] 25X1
[redacted] 25X1
attending courses at the War School designed to prepare officers for command at the brigade level and that, as of February 1984, a Libyan submarine was undergoing repairs at Golcuk Shipyard. [redacted] 25X1
[redacted] three Libyan lieutenants were being trained in port administration at the same shipyard. [redacted] 25X1
- In 1984, Turkish contractors held approximately \$840 million in contracts for military-related construction. Military construction accounts for about 10 percent of the total value of construction contracts held by Turkish companies in Libya (see Table). [redacted] 25X1

Turkish Motivations

Ottomans and Soldiers

The Turks take a historical view toward Libya and tend to belittle Qadhafi's importance as a political and military threat to either Turkish or NATO interests. The Turkish-Libyan military connection predates Qadhafi's regime by centuries. Four hundred years of Ottoman rule in Libya ended in 1911, when Libyans and Turks -- including the founder of the modern Turkish Republic, Mustafa Kemal Ataturk -- fought unsuccessfully to repel invading Italian troops. Older Turks remember that many Libyan-born Ottomans fled to Turkey after this defeat, and some became heroes during the Turkish war of independence. There are some familial ties between the Libyan and Turkish

elites dating from intermarriage in this period. More recently, Libyan cadets have been students at the Turkish naval and ground forces academies at various times since World War II. [redacted]

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Islamic solidarity, if only in form, is also an inseparable element of this shared past. On the occasion of state visits between the two countries, mention is often made, on both sides, of the glorious days when Turks and Libyans fought side by side to keep "non-Muslims" out of the Middle East. This is largely rhetoric on the part of both -- "Islamic solidarity" does not keep the Libyans from paying the Turks less than the Italians for naval cadet training, nor the Turks from demanding an amount equal to that of the Italians. However, the Turks almost certainly seek to exploit and reinforce Qadhafi's tendency to make some decisions on ostensibly religious grounds, when it serves their interests: for example, winning for themselves a military contract that might have gone to the Greeks. Qadhafi, for his part, probably hopes to reinforce the Turks' willingness to behave in "Islamic" fashion by persuading them that they received Libyan business because they are fellow Muslims. [redacted]

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In short, the Turks see their military ties to Libya from the perspective of their historical relationship and not as an endorsement of the Qadhafi regime and its policies. This view predisposes them to regard Turkey's military supply and training relationship with Libya as a legitimate pursuit of economic, political, and military interests. [redacted]

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Economic Interests

The Turkish military services each have sizable interests in Turkish firms that produce military equipment, all of which are government-owned. Thus, the services profit along with the firms, and the military is understandably predisposed to push for the expansion of export sales of military equipment and training services. [redacted]

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[redacted] If Libyan payments for military goods are, in fact, in hard currency, the Turkish military has an advantage over other Turkish exporters because Libya generally pays in kind (oil). [redacted]

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Turkish-Libyan military relations have become increasingly important as overall trade has declined. Turkish nonmilitary exports peaked in 1981 at \$442 million (see chart). Libyan payment problems, due largely to declining oil revenues, cut Turkish nonmilitary sales to \$184 million in 1983. Tripoli currently owes about \$400 million to some 100 Turkish contractors operating in Libya. (Total outstanding contracts are worth approximately \$8.4 billion.) Despite these problems, Turkish military exports have held steady for several years. [redacted] in recent years as follows:

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1979 - \$3.3 million
1980 - \$144.3 million
1981 - \$154.3 million
1982 - \$144.4 million
1983 - \$143 million
1984 - \$141 million

These figures are significant when compared with Turkey's modest economy and military budget (\$2 billion in 1984). [REDACTED]

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Political-Military Interests

In addition to the motivating factors of economic self-interest and historical linkages, Ankara's apparent view of a military connection with Libya as a kind of political investment is also at play: military cooperation provides an opportunity to shape Libyan views and moderate its policies toward Turkey.

- A reasonably friendly Libya would be less likely to aid Turkey's arch-enemy, Syria. (This is not to say, of course, that Turkey expects Libya to restrain Syrian support for Turkish terrorists. Indeed, the Turks are aware that the Libyans have themselves been involved from time to time with Turkish terrorists.) [REDACTED]
- The Turks probably reason -- or at least rationalize -- that they may to some extent limit the growth of Soviet influence in the Libyan armed forces by moving into areas of the Libyan military market not yet cornered by the Soviets -- the Libyan Navy, for example. [REDACTED]
- Turkey's politico-military rivalry with Greece is a strong driving force in Turkish pursuit of a Libyan military connection. The Libyans, in turn, probably exploit this contest for influence. Greek-Turkish rivalry has surfaced in many areas: in competition for training agreements, naval craft sales, aircraft servicing, munitions sales, and even over the question of a Qadhafi visit. [REDACTED]
- For domestic political reasons, the Turkish government has an interest in demonstrating a degree of political-military independence from the US. Turkey's Libyan connection admirably serves that end. [REDACTED]

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Outlook

Turkey's perceived economic and political stake in maintaining its connection with Libya is significant, and even open US disapproval may not be sufficient to persuade it to curb these ties. The Turks consistently have been reluctant to accede to US requests regarding Libya. Most recently, the Turks were reluctant to accept US reasoning on the likely responsibility of Qadhafi for the mining of the Red Sea, and they declined to approach Egypt to offer mine-sweeping assistance. Persistent Turkish interest in a Qadhafi visit is another case in point. [redacted]

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The power of Libya over Turkey as a debtor (owing some \$400 million to Turkish contractors) and as an employer (absorbing 60,000-70,000 Turkish workers when unemployment at home is high) will prompt Ankara to maintain its friendship, including military links, with Libya in the foreseeable future. [redacted]

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Despite these many interests and the likelihood of continued US-Turkish tension over the issue of Libyan relations, we expect the Turks to observe the following self-imposed limitations:

- The Turks will not pursue actions that they believe would seriously endanger their relationships with the US and NATO, in which they see their security ultimately residing. Thus far, for example, the Turks have been careful to observe US and West German third-country transfer provisions.
- They will be fastidious about not permitting their Libyan connection to harm NATO defense interests in any concrete way, [redacted]
[redacted] (US objections to Turkish training of Libyan Air Force pilots, made in part on these grounds, probably helped to persuade Ankara to wind down, and eventually end, the program. [redacted])
- They will stop short of helping the Libyans acquire significant offensive capabilities against Mediterranean NATO countries, or against friends such as Egypt.

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Other strong disincentives for Turkey's taking its relationship much past its present status include its relationships with Saudi Arabia, Jordan, and Tunisia, all more friendly than that with Libya. [redacted]

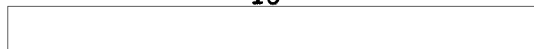
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Selected Turkish Military Construction Contracts in Libya
as of June 1984

		Millions of US\$
Firm	Type of Project	Project Value
B.T.K.	Military Facilities at nine locations	35
BETA	Military Facilities and Housing	130
ENKA	40 Air Raid Shelters and Infrastructure	39
METIS/MESA	Military Installation, Housing and Hangers in Tripoli	--
ONTAS	Military Facilities and Infrastructure at four locations	140
ORYATAS	Military Barracks	14
TE-TA	40 Military Depots in Bin Valid	--
S. TURKES/ F. AKKAYA	Harbor Works for Sidi-Belal Naval Base	29
	--Harbor Works and Civil Construction for Tripoli Naval Base	101
	--Jetties for the Naval Forces in Tobruq	23
	--14 Hangers at five locations	36



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Trade with Libya

	Millions of US\$							
	1976	1977	1978	1979	1980	1981	1982	1983
Greece								
Exports	130	125	114	167	168	220	112	103
(percent of total)	(5.1)	(4.5)	(3.4)	(4.3)	(3.3)	(5.2)	(2.6)	(2.3)
Imports	47	53	21	131	263	322	710	348
(percent of total)	(0.8)	(0.8)	(0.3)	(1.3)	(2.5)	(3.7)	(7.1)	(3.7)
Turkey								
Exports	10	14	50	43	60	442	235	184
(percent of total)	(0.5)	(0.8)	(2.2)	(1.9)	(2.1)	(9.4)	(4.1)	(3.2)
Imports	234	276	213	208	716	789	890	793
(percent of total)	(4.7)	(4.9)	(4.7)	(4.2)	(9.5)	(8.9)	(10.1)	(8.6)

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